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Lloyds Bank Limited

MONTHLY REVIEW

AUGUST 1935

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Lloyds Bank Limited

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Prop. Snarely

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GIFT
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Lloyds Bank Limited
Monthly Review

New Series—Vol. 6 AUGUST, 1935 No. 66

Notes of the Month

The Money Market.—The end of the half-year passed quite easily and only a relatively small amount had to be borrowed from the Bank of England. On the last day of June the money market found that its borrowings from the Bank during the previous week had left it well supplied with funds, and there was very little pressure. With the opening of July all the banks once more began to buy bills and, as had been expected, there was some weakening of discount rates. In comparison with a peak figure of 16s. 0·69d. per cent. on June 21st, the average Treasury bill tender rate had fallen to 10s. 9·77d. per cent. on July 26th. The banks have lately been ready buyers at ½ per cent. of all Treasury bills maturing not later than early October, but they have not been buying Treasury bills with the full three months to run, and so the latter have been quoted only nominally at $\frac{9}{16}$ per cent. Three months' bank bills are quoted at $\frac{5}{8}$ per cent. or a shade under. Most of these rates are high enough to provide bill-brokers either with a profit on re-sales to the banks or with a small margin if they decide to hold bills against loans from the banks at ½ per cent. The volume of Treasury bills issued by tender continued to expand during July, and on July 27th stood at £500 millions in comparison with £485 millions at the end of June and £360·4 millions on March 31st or at the end of the last financial year. This figure of £500 millions is also the highest recorded since February, 1934. This steady expansion in tender issues is probably not unconnected with the summer's gold and exchange purchases of the Exchange Equalisation Account, as each purchase requires a reduction in its holdings of Treasury bills; and the recent weakness of the guilder suggests that the Exchange Equalisation Account will have to continue purchasing gold. If so, the supply of Treasury bills available to the market will continue to expand.

The Foreign Exchanges.—July opened quietly in the London foreign exchange market. Pressure upon the gold *bloc* currencies had for the moment been relieved, and while the outlook was not viewed with complete assurance, there was some evidence that former bears of francs were covering their commitments. Confidence was further restored by the news that both the Dutch and French authorities were taking steps to prevent speculative sales of forward guilders and francs, and by the series of reductions in the Dutch and French Bank rates. By the middle of July the Dutch rate had been reduced in several steps from 5 to 3 per cent. and the French rate from 6 to 3½ per cent. The main cause of excitement during early July was the threatened collapse of silver prices in London. To counter this the American authorities bought heavily upon three successive days, and payments for these silver purchases temporarily sent the New York sterling rate up from $4·95½ to over $4·98. The dollars offered in London, however, were easily absorbed, and traders with commitments in dollars maturing before the end of the year took the opportunity to buy forward dollars.

During the last ten days of July an abrupt change came over the market. First the Italian Government announced the suspension of the statutory requirement of the Bank of Italy to maintain a minimum gold cover of 40 per cent. of the note issue. This caused a temporary depreciation of the lira, but it was quickly announced that the lira would not be devalued but that the object of the suspension was to release gold so that it could be used for making foreign payments. The Italian Control also intervened and held the spot rate at its former rate of lire 60 to the pound. A day later disquieting news came from Holland to the effect that opposition to the Government's economy proposals had developed in the Government's own ranks. This led to immediate fears of an impending devaluation of the guilder and quickly caused a flight of funds from Holland. Although speculative operations were restricted, the pressure on the exchanges led to a loss of gold by the Netherlands Bank of about Fl.130 millions in one week. On July 24th the Bank rate was raised from 3 to 5 per cent., and the following evening it was raised to 6 per cent. Early on July 26th, however, the Government resigned. This roused fresh doubts in the London exchange market, as it was a question who the new Government would be and whether

it would favour further economies and deflation or the devaluation of the guilder. These uncertainties at once caused spot guilders to depreciate to Fl.7·38 against Fl.7·26 only a week before, while the discount on three months' guilders widened from 11 to 40 cents. This weakness of the guilder reacted upon the remaining gold *bloc* currencies. The British Exchange Equalisation Account quickly intervened and held the Paris spot rate at Frs.75, but three months' French francs depreciated from Frs.1$\frac{3}{16}$ to Frs.2 discount, and three months' Swiss francs from 27 to 80 centimes discount. At the moment of going to press the outlook was a little better, as it was reported that the former Dutch Government was being reconstituted. The guilder therefore rallied. Holland still has adequate gold reserves, and the immediate financial position of the Government is quite strong.

The Stock Exchange.—Markets were very quiet during July, and in many cases prices were inclined to weaken. Profit-taking in advance of the holidays, the prospect of hostilities between Italy and Abyssinia, and the diversion of investment funds into new capital issues are all obvious explanations, and on the whole markets have displayed considerable powers of resistance. The continued improvement in the internal trade outlook must have proved a great source of strength, for the developments enumerated above were quite capable of provoking between them a definite set-back in prices. The gilt-edged market has been very steady, notwithstanding the appearance of several large new issues of a trustee character. Some of these, such as the New Zealand, Indian and Australian offers, represented mainly conversion operations and little new money was required, but the London Electric Transport Finance Corporation issue of £32 millions of 2½ per cent. 1950–55 debentures, and the Cables Investment Trust issues of debentures and preference shares between them will absorb £36 millions of new money, and there have been numerous small issues of an industrial character. All issues for new money absorb funds which otherwise might have been invested elsewhere, and the larger issues probably diverted funds from the gilt-edged market. In the Foreign bond market Italian issues have weakened owing to political and exchange uncertainties, while Brazilian issues were depressed by the tightening-up of the exchange restrictions. The home rails market was a little stronger, mainly because of better

traffic returns. Industrials were very steady, with slight signs of profit-taking here and there. In the more specialised markets, base-metal shares improved in sympathy with the recovery in metal prices, but the oil and rubber share markets were idle and heavy. Kaffirs weakened, mainly because of general uncertainties in Paris and other Continental centres which normally are active dealers in gold-mining shares. Tea shares rallied early in July and, while subsequent profit-taking caused a reaction, the undertone is a little stronger.

Overseas Trade.—Partly because of the interruption caused by the Whitsun holidays the June trade returns were not quite so good as those of the previous months. Comparing May and June, imports fell from £64·5 to £57·8 millions but exports of British goods decreased from £35·2 to £32·9 millions. Imports were also less than in June, 1934, when they stood at £61·2 millions, but exports were slightly higher, as the June, 1934, return was £32·1 millions. Imports of raw materials for last June were £15·7 millions, against £16·9 millions in June, 1934, but the only serious decrease was in imports of wood and timber. Exports of British manufactured goods increased from £24·9 to £25·5 millions. The returns for the complete half-year are summarised below :—

Description	Jan.–June, 1934	Jan.–June, 1935	Increase (+) or Decrease (–)
	£ mn.	£ mn.	£ mn.
Total Imports	362·2	359·4	– 2·8
Retained Imports	333·2	330·6	– 2·6
Raw Material Imports	108·5	103·0	– 5·5
Manufactured Goods Imports	84·5	88·4	+ 3·9
Total Exports, British Goods	189·7	206·5	+16·8
Coal Exports	15·5	15·3	– 0·2
Iron and Steel Exports	15·9	18·0	+ 2·1
Cotton Exports	28·9	30·2	+ 1·3
British Manufactured Goods Exports	145·7	160·6	+14·9
Re-exports	29·0	28·8	– 0·2
Total Exports	218·7	235·3	+16·6
Visible Trade Balance	–143·5	–124·1	+19·4

The results for the past half-year are reasonably satisfactory. The decline in the value of raw materials is confined to timber, raw cotton, raw wool, and hides and skins. The increase in imports of manufactured goods represents heavier imports of non-ferrous metals, petrol, machinery and vehicles. The first

two items can in many ways be ranked as raw materials. Exports of British manufactured goods have improved all along the line, and provide clear evidence that our revival is beginning to spread to our overseas trade. The adverse visible trade balance has fallen from £143·5 millions in the first half of 1934 to £124·1 millions in the first half of this year. It looks as if our balance of payments for the complete year should once more be on the right side.

Commodity Prices.—During the past few weeks British wholesale prices have begun to harden, and the decline which began at the end of May has now been definitely checked. Current indications suggest that the lowest point was reached at the beginning of July, and that the total decline during June amounted to 1·8 per cent. Since then about half the lost ground has been recovered. During July wholesale food prices remained unchanged on the average, for a decline in cereals was offset by increases in meat and eggs. Textile prices, particularly wool, are higher, while non-ferrous metals have risen sharply after their June fall. In view of the prevailing uncertainties both in the United States and on the Continent it is difficult to forecast the future course of British wholesale prices, but the movements of the past two months suggest that the British price-level is now little affected by events abroad.

During July American wholesale prices remained very steady. French prices continued to sag, while Italian prices have again advanced. During the past year there has developed a marked divergence between French and Italian wholesale prices.

British retail food prices and the official cost-of-living index number both rose sharply during June. The increases were partly seasonal, but were accentuated by a heavy rise in the price of potatoes. The new crop began to come on the market during June, and as it had been retarded by the May frosts the price of potatoes for a few weeks ruled unusually high. Dairy produce also rose in price during June. As a result the retail food price index number rose from 20 to 26 per cent. above its pre-war level, and the official cost-of-living index number rose from 40 to 43 per cent. above its pre-war level. At the end of June, 1934, the retail food price index stood at 22 and the cost-of-living index at 41, so that there has been a slight increase during the year. Last June's movements, however, appear to have been exceptionally large.

Home Reports

The Industrial Situation

The progress of home trade continues, and even though the holidays are approaching there is little sign of any retardation in the rate of improvement. Industries producing "capital goods" continue to take the lead. The prolongation of the agreement with the Continental Steel Cartel has given a further stimulus to the iron and steel trades, and production remains well ahead of last year. There is a slight seasonal set-back in one or two branches of engineering, notably in the motor-car industry, which always becomes quieter in the months immediately preceding the annual show, but many branches remain very busy. Building plans passed during June fell slightly below the record returns for May, but the outlook remains very hopeful. In the "consumers' goods" industries, the cotton trade remains slow, while the wool industry has not yet responded to the firmer tendency of raw material prices. The jute trade is disappointing, while the linen trade is still retarded by the high price of flax. The clothing and boot and shoe trades are reasonably busy, and the latter is more active than a year ago. Demand for chemicals, which is always a good indication of general industrial activity, is described as satisfactory. Electric power consumption is well maintained, and July railway goods traffic returns were slightly higher than in the previous year. There was a further decline in unemployment during June, although often there is a slight seasonal increase.

Consumption is also well maintained. The note circulation has recently been expanding in anticipation of the holidays, and is now running about £16 millions in excess of a year ago. Retail trade in June was 5·8 per cent. in value above the previous year. Other financial indications remain encouraging. There has been a revival in the new capital issue market, which, if it proceeds along sound lines, points to fresh industrial enterprise. Bank advances have been expanding, and the fall in wholesale prices which began at the end of May was checked early in July.

As regards international trade, raw material imports for June were slightly below those of the previous year, but intervening price changes may be the main explanation in some

cases, while in other cases there was some evidence of overstocking by home consumers a year ago. Export trade continues to make slow progress, but the exchange position abroad can hardly be described as settled. News from the Continent is variable. The sterling area countries are fairly well placed, and there has been some revival in industrial activity in Germany and Italy—probably due in the latter country to war preparations. The gold *bloc* countries remain depressed, but the devaluation of the belga has been followed by a slight improvement in Belgium. The autumn outlook in the United States is thought to be a little more hopeful. Reports from South America show that Argentina is recovering slowly, but that conditions in Brazil remain very difficult. Empire news is on the whole good.

Agriculture

England and Wales.—According to an official report, at the end of June it was doubtful whether a full average yield of wheat would be obtained. Early forecasts indicate that the yields of barley and oats may also be a little under average. The yield of early potatoes is likely to be appreciably reduced in the areas where crops were affected by frost, and lifting has been delayed. As regards main-crop potatoes prospects are generally favourable. Turnips and swedes made good progress during June. Mangolds are mostly a good plant but rather backward. Sugar beet is variable. Hop bines are healthy and vigorous but still backward. Grass made rapid bottom growth during June, but the present forecast of the yield of both seeds and meadow hay is below the ten years' average. With the improvement in the pastures and a plentiful supply of water cattle and sheep have done well.

Scotland.—The monthly report of the Department of Agriculture for Scotland states that cereal crops are looking vigorous and healthy, and yields are likely to be about average. The effect of the frosts and dry weather during May is still apparent as regards early potatoes, but the main crop is giving good promise in most districts. Prospects for turnips and swedes are better than for several years. Hay-making is now well advanced, and yields generally are not much below the average, notwithstanding the unfortunate weather early in the season. In the produce markets wheat has met with

a poor demand owing to foreign imports. Barley is practically finished, but oats have been better. There has been a good enquiry for potatoes at prices ranging from £8 to £9 per ton. In the livestock markets first-grade bullocks have been scarce and firm: secondary and heavy prime cattle met a fairly active market. Sheep have also been steady.

Coal

Hull.—There is a steady demand for all qualities. Outputs are still curtailed and prices therefore rule very firmly.

Newcastle.—There has been a seasonal falling-off in enquiry from abroad. The firm position of Northumberland screened coal has not been maintained, but Northumberland graded coal is better stemmed than it has been for some months. All classes of Durham coal are quiet, and coking coal is particularly easy owing to the considerably reduced shipments to Italy. Durham bunkers are easier. Despite the mild weather in July the coke market was steady.

Sheffield.—The export coal market continues to be quiet. Best hards are still scarce. Industrial fuels are in good demand and prices firm. The household fuel market remains dull.

Cardiff.—The South Wales coal trade is unchanged. With the exception of sized coals, which continue scarce, all classes are readily obtainable at schedule prices. Coal shipments, however, are well maintained compared with the corresponding period in 1934. Italian business is still disorganised owing to the financial difficulties, and many exporters are refusing to give the credit demanded.

Newport.—Foreign shipments during June amounted to 184,000 tons, an increase of 4,000 tons over the previous month and 75,000 tons over June last year. Dock shipments foreign and coastwise in June were 231,000 tons against 238,000 tons in May and 200,000 tons a year ago. For the first half-year dock shipments show an increase of 63,000 tons over the corresponding period of last year, and Newport is the only port in the Great Western Railway group of docks to show an increase. Patent fuel shipments amounted to 10,000 tons for June against 3,500 tons in May and 8,000 tons in June last year. Coke shipments show some improvement. The colliery position shows little change.

Swansea.—Most of the best qualities are well engaged and prices are very firm. Second quality coals show some irregularity, but there is more movement in third qualities. Prices are fairly steady.

East of Scotland.—Business in Fifeshire at the middle of July was more or less at a standstill owing to the colliery holidays. In the Lothians steams show some improvement, while graded fuels are active and prices steady.

Glasgow.—Foreign enquiries for Scottish coal are still of disappointing volume, and it is difficult to arrange business both prompt and forward on the basis of collieries' quotations. Exporters, however, are still placing orders in fulfilment of old contracts. In the home trade buying of household coal has not yet been resumed on an active scale, but the industrial demand is fully maintained. The collieries in the West Country are doing a steady trade.

Iron and Steel

Birmingham.—A steady flow of orders both to the rolling mills and to the blast furnaces is reported. During the protracted negotiations with the European cartel there was a complete absence of business in Continental material. The full effect of this pause will not be felt for some little time, but it is thought that it will mean a considerable volume of business for Midland producers in the last quarter of this year. Hematite prices have advanced, but other prices, both of finished materials and of ordinary pig-iron, remain unchanged. Foundry workers are getting busier, and specifications for pig-iron are decidedly better.

Sheffield.—Production of steel and heavy forgings continues healthy and prospects are good. Many firms are working to full capacity. The branches producing stainless heat-resisting and rust-resisting steel and those producing special aircraft steels maintain a high level of activity. Output figures far exceed those for any of the post-war years.

Tees-side.—Pig-iron production is fully maintained, and two additional blast furnaces have been brought into operation enlarging the make of hematite pig. Consumption of foundry iron and basic pig-iron for steel works is below market requirements and stocks are abnormally low. East Coast hematite

makers have advanced their prices by 2s. 6d. per ton, delivered to all districts except Middlesbrough, Durham and Northumberland. Heavy tonnages of steel are being turned out to meet the flow of structural specifications and the expanding enquiry for semi-finished materials. The rather better outlook for shipbuilding encourages hopes of more work for plate mills, which have already benefited from a few orders booked by local shipyards.

Wolverhampton.—The past month has seen very little change. Foundries are still busy.

Newport.—Imports of semi-manufactured products for June were higher than those for last month or June, 1934, but for the second quarter of the year there was a decline of 50 per cent. as compared with the same quarter of 1934, and a decline of 41 per cent. as compared with the first quarter of this year. Shipments of iron, steel and tinplates show a slight improvement, but export trade continues sluggish and difficult.

Swansea.—Tinplates met with a steady demand during June. Production was 52·7 per cent. of capacity, compared with 55 per cent. in May. The number of unexecuted orders on makers' books has been increased.

Glasgow.—The tone in the iron and steel trades in the West of Scotland is distinctly good. In the steel trade the mills are rolling at full capacity, in spite of the scarcity of orders for shipbuilding materials. While the bulk of the business booked is on home account, export trade has shown improvement. The recovery in the steel trade has been so marked, in fact, that it is quite possible that the output this year will constitute a new record. Tube makers have sufficient orders to keep them comfortably employed, and although the breakdown of the cartel has led to price-cutting, prospects are good. Sheet makers are still busy on home orders, but overseas business is scarce. Bar iron makers and steel re-rollers are better employed than they have been for a long time, and several firms have lately been operating their plants at full capacity for the first time for some years. Scottish pig-iron is in good demand, and the outputs of the fourteen furnaces in blast are being well absorbed.

Engineering

Birmingham.—The motor trade is quieter, as is usual at this time of year, but conditions continue satisfactory. Motor accessory makers are also less busy. The tube trade is active, and the nut and bolt trade is experiencing a good year.

Leeds.—There is a slight improvement in the lighter section of the engineering trade.

Leicester.—There has been a slight improvement since last month and trade is, on the whole, good. Output has expanded by about 12 to 15 per cent. during the past year.

Sheffield.—Further expansion has taken place in the general engineering trades. The various sections of the tool trade continue to be well employed. Certain firms are finding it necessary to increase their productive capacity by extensions to buildings and plant. Exports show an increase over the corresponding period of last year.

Wolverhampton.—Structural engineers and builders continue to work at full pressure. While there is some slight falling-off in the wireless trade, demand for electrical plant and machinery is well maintained. The motor and cycle trades remain fairly steady.

Glasgow.—Prospects in the Clyde shipbuilding and marine engineering industries have not improved. Important new orders are very scarce and the amount of work on hand is rapidly decreasing. At mid-July there were four or five ships aggregating 30,000 tons gross almost ready for delivery. The quietness at the marine engineering shops reflects the poorer shipbuilding position, and work is now scarcer in most cases than it has been for some time.

Metal and Hardware Trades

Birmingham.—Business in the brass and copper section has been fairly quiet, as is usual at this time of year, but conditions remain satisfactory. Prices are unchanged.

Sheffield.—There was a steady flow of orders both on home and on export account during early July. Trade is rather patchy, but taken as a whole shows a slight improvement on July last year. The increase in the price of E.P.N.S. and sterling silver ware has had the effect of stimulating trade.

Wolverhampton.—There is still room for improvement in the export section. Home trade remains quite satisfactory and good orders are being placed.

Cotton

Liverpool.—Prices on the "futures" market have shown a steady advance throughout the month, with a slight set-back towards the close. The scarcity of contracts continues, together with the general tightness for which the American situation is responsible, the bulk of the surplus there being now in Government hands. Apart from some reported flooding early in the month in Texas and Oklahoma, which may reduce acreage, drier and warmer conditions have prevailed in the cotton belt, and with a normal movement of new crop next month, the market may find some relief. The American political outlook remains uncertain. Anxiety regarding the future of the processing tax, and the possible repercussions upon the loan policy, has been increased by the recent decision of the Boston Court of Appeal upon the constitutionality of the A.A.A., but this is in part offset by the decreasing likelihood of an export bounty. The department of Agriculture on July 8th estimated the acreage under production at 29 millions, an increase of 4½ per cent. on last year, but still the second smallest for thirty years. On the "spot" market American has found a fair demand at advanced prices. Comparable outsiders are dearer than a year ago and stocks have decreased. Manchester reports small sales of yarns to the Continent and a fair cloth enquiry with less active export.

Wool

Bradford.—In view of the keen demand for wool at the London sales quotations for tops locally are very firm in all sections of the market. There is a fair amount of enquiry for yarn on home account but export trade remains quiet.

Hawick.—Wool prices continue firm, and at the sales which opened recently the qualities used in the Scottish tweed trade rose by a further 5 to 10 per cent. On the other hand the demand for cloths, except for novel designs, is poor, and orders placed by merchants so far are not much more than half those of an average season. Export business is

still hampered by the severe restrictions imposed by Continental countries. Some hosiery firms are fairly well employed, and knitted woollen goods for outer wear are in good demand. Dyers and spinners are only moderately busy.

Other Textiles

Dundee.—Raw jute prices have again been a disappointment to the market, for the firmer tendency at the beginning of July gave place to a decided weakness. Buyers were discouraged just when they appeared to be more interested. The easier tendency has affected all sections of the market. Any business passing is for small lots for quick delivery.

Dunfermline.—Business remains slow in the Fifeshire linen trade, and buying is mostly in small lots. There is not likely to be much improvement now till the end of the holiday season, but prices continue very steady. The raw material position is quieter, and rates for flax and tow show a slightly easier trend.

Clothing, Leather and Boots

Leeds.—The clothing trade continues to be well employed.

Leicester.—Home trade in boots and shoes was a little quieter in July, but showed an improvement over July last year. In hosiery home trade is still poor, and export trade not so good as a month ago. Price-cutting appears to be the worst difficulty with which hosiery manufacturers have to contend. The fancy hosiery section is fairly satisfactory owing to the placing of orders for goods for the autumn.

Northampton.—The boot and shoe trade generally is above the July averages of the past few years. There has been a good demand for sports goods owing to the fine weather. Interest is being shown in forward business. In the leather market tanners are experiencing difficulty in securing full replacement values owing to the demands for both sole and upper leather.

Shipping

Hull.—Quite a large amount of the coal export business is on an f.o.b. basis. The enquiry for tonnage is therefore limited, but rates remain steady.

Liverpool.—There has been no improvement in the rate for outward coal tonnage. The tone remains easy and activity moderate. Homeward from the River Plate has been restricted by shippers' indifference, and rates are unchanged. The dullness of Atlantic American has only been relieved by scrap enquiries for Japan and Europe. Easterns have remained dull with limited business, and Australian is nominal at scheduled rates.

Newcastle-upon-Tyne.—The freight market to the Mediterranean is easier, particularly for Eastern destinations. A few weeks before Alexandria was up to 8s. 6d., but towards the end of July the rate was nearer 7s. The Coasting and Baltic markets remain quiet.

Cardiff.—The freight market is quieter owing to the lack of fresh business.

Newport.—Freight rates outward have been rather firmer and orders a little more plentiful. Another vessel has been laid up in the dock, making a total of two in the dock and one in the river. Harbour and pilotage receipts for June show an improvement as compared with June last year.

Swansea.—Since June enquiry has slackened, particularly for the Coast. Tonnage is offering much more freely and rates are less firm. Enquiry for the Mediterranean and the Bay is very poor.

East of Scotland.—There were less than a dozen vessels on loading turn at the Forth coaling ports at the middle of July. Other branches of shipping at the Port of Leith have been quiet during the past month.

Glasgow.—Shippers of Scottish coal are still mainly interested in tonnage for Baltic discharge. They have not, however, a great many f.o.b. orders on hand and the boats required are mainly for Finland and Denmark, for which rates are steady. The Mediterranean section of the market is strong but quiet owing to exchange difficulties. Bay and coasting business is sparingly quoted.

Foodstuffs

Liverpool, grain.—The calm of the wheat market was shaken by a fall of from 7d. to 8d. per cental early in July. This followed moderate fluctuations due to American crop scares.

Latterly, however, " futures " have again advanced, largely on the scarcity of Plate, which has shown increased firmness in the nearer positions. The fall in price and the resulting chaos, in which Liverpool bore the brunt of the selling when the Winnipeg minimum and Chicago daily limits were reached, was chiefly attributable to clauses in the Canadian Wheat Act regarding liquidation of stocks, and, although modifications followed rapidly, the market was but slowly reassured. Southern hemisphere shipments have remained " bullish," with slightly more Australian offering latterly and with indications of a resumed Far Eastern demand. Drought in the Northern Argentine foreshadows considerable acreage reduction, which naturally has encouraged the indifference of Plate shippers. The United States winter crop is estimated at 458 million bushels, or 50 million over last year's figure, and the spring crop at 273 million, against 91 million last year; in Canada the spring estimate is 90 million bushels. Later confirmation of rust in the spring wheat area of the United States and some reports of rust in Manitoba may reduce these figures. The announcement by France, where, in spite of inferior harvest reports, the carry-over remains large, of the issue of export licences for 80 thousand tons has been a depressing feature. In the maize section there has been considerable forward business and the market, after early irregularity, showed a steady tone towards the close. Plate prices, which opened at a well-maintained level, fell away to touch the lowest for this season in mid-July. Shipments from the Argentine remain moderate in spite of the record crop. The United States crop position remains in doubt owing to delay by rain and low temperatures, but the weather has improved latterly. In the East the supply has been eased by Plate arrivals, but in the West the position remains tight. Italy remains the principal buyer of Danubian, and little is offered to the United Kingdom. Business in African remains small, and recent crop reports are not favourable. The demand for home-milled flour has continued very quiet with price reductions early in the month, but some revival latterly. Deliveries on forward contracts have proved disappointing, and there was little sign of fresh booking until late in July. Imported flour is very quiet at reduced prices.

Liverpool, provisions.—The market in Continental bacon has presented a quieter tone during July, and the slight im-

provement, apparent earlier, has not continued owing to higher values and weather conditions. American hams have been steady with prices firmer. The lard market has been firm but inactive, and with Empire supplies rather less in volume trade in butter has been steady. Empire makes of cheese are quieter and easier, as plentiful supplies of the home-made varieties have been sold at extremely low prices. In the canned goods section meats were a normal trade, and the demand for fruits has been steady.

Fishing

Brixham.—Landings for June were again below average. Many sail trawlers were fishing distant grounds and not returning to the home port. Prices generally were steady. Mackerel were appearing in the up-coast waters at the middle of July, but catches were being landed at other ports where prices were more favourable.

Lowestoft.—Landings of wet fish by British vessels in England and Wales during June indicate that there was a financial improvement in the trawling industry as compared with the corresponding month in 1934. As compared with 51,000 tons in June, 1934, only 47,000 tons were landed during the month, but the value improved from £775,000 to £862,000. Nearly all the principal kinds of fish contributed to the decline in quantity. Towards the close of the month there was considerable activity in the herring fisheries which opened in Scottish waters, the catch at about 29,000 tons being about 9,000 tons more than in June, 1934. For this £90,000 more was received by the fishermen.

Penzance.—Fishing during the early part of July was confined to the long-liners. Some very good trips were landed from the deep sea, chiefly rays and skate. Prices have been very good, kits of rays of about 16 stone realising from £5 4s. to £3 16s. per kit, and skate averaging £4 to £6 per score. Catches realised from £103 down to £40 per week.

Scotland.—At the Moray Firth ports and northwards up to Lerwick herring fishing operations are being actively engaged in, but reports indicate that so far the results have been somewhat mixed. There is also activity on the West Coast at Stornoway and Castlebay, where prices have ruled

high at times. The recent sale on the East Coast of 40,000 barrels of cured herrings to Russia has helped other markets, and with the prospect of firm prices for some time ahead curers have been encouraged to continue operations for the remainder of the season. The line fishing round the coast has been moderately active, with prices generally a little easier.

Other Industries

Paper-making and Printing.—The Edinburgh paper-making trade was affected in July by the holiday season. Prices had to be cut very fine to secure any really important home business. The export branch was still stationary, so the immediate outlook was not too hopeful. In the printing trade prospects are regarded as fairly good under existing conditions.

Pottery.—Longton reports that the outlook in the pottery trade appears better than for some time. Prices have increased. Home trade continues its slight improvement, and although the June export figures for pottery and clay products, including bricks, showed a reduction of about £100,000 as against the same month last year, for the six months ended June 30 there was an increase of about £162,000 over the first six months of 1934. Imports of foreign pottery show a decrease.

Timber.—Hull reports that Humber importers have made considerable purchases recently and have been principally interested in cheap-quality goods from both Finland and Sweden. There is a scarcity of many building sizes. The docks are working to capacity and most of the arrivals are going away in fulfilment of orders. Cargoes appear to be in good condition and up to quality, while the recent fine weather has facilitated discharging. Inland stocks are not heavy, and importers are being pressed for news of arrivals and for prompt despatch of orders.

Pitwood imports at Newport for June showed little change. For the quarter ended June 30 they were 9,000 tons less than in the previous quarter but 5,000 tons better than in the second quarter of last year. Other timber imports improved during June. For the quarter they were 9,000 tons better than in the previous quarter but 4,000 tons less than last year.

Overseas Reports

Australia

From the National Bank of Australasia Limited

Crop prospects have improved in all States, while pastoral conditions in Queensland and in the west and north of New South Wales have also benefited greatly from the recent rains. The wool market strengthened further during June. Production for the coming season is estimated at 2,930,000 bales. Trade generally maintains its recent improvement. The textile and clothing trades have been stimulated by the winter, while the building and motor industries are active. The revenue returns for the past year record small surpluses for the Commonwealth and the State of South Australia. The aggregate deficit for the remaining States is under £4,000,000, or £3,000,000 less than last year's deficit for all States.

Canada

From the Imperial Bank of Canada

The wheat situation is uncertain, mainly because of the large carry-over now estimated at 200,000,000 bushels. The approach of the general election is a further cause of unsettlement. Otherwise business is satisfactory. The official economic index is 7½ per cent. higher than a year ago, while the employment index has risen during the past year from 96·6 to 97·6 (1926=100). Construction contracts awarded during June showed an increase of 50 per cent. over last year, and were the best for any month since November, 1931. For the first six months of this year there was an improvement of 25 per cent. over 1934 and one of 130 per cent. over 1933. Industrial production continues to increase, but some industries are far better placed than others. The automobile industry, which is one of the most active, is 40 per cent. busier than a year ago. Car-loadings for the year to date are slightly higher than in 1934 despite the relatively small movement of grain.

India

Bombay.—Business in raw cotton was restricted during June by American uncertainties. There was no speculative activity and prices remained very steady. Local mills

bought sparingly, as demand for piece-goods is very limited. Shippers to Europe and Japan were quiet, but a few sales were booked for Shanghai. The piece-goods market has been quiet. In the British and Continental goods section there was no demand for greys, while prices of white goods, shirtings and mulls were depressed slightly by fresh arrivals. There were heavy imports of Japanese goods and prices fell in consequence. Existing stocks are sufficient and there was little forward business. The monsoon has been favourable, and reports received by early July were satisfactory.

Calcutta.—The loose jute market has become easier, and baled jute has also weakened under speculative sales and lack of support from outside centres. The official preliminary forecast dated June 29th showed an estimated acreage for 1935–36 of 1,858,200 acres, against a revised figure of 2,604,200 acres for 1934–35. These estimates had no effect on the market, which remained easy.

Rangoon.—Business in rice was very meagre, and prices are unchanged. Paddy continues firm. It appears likely that the firmness of paddy will prevent the price of white rice from declining, but that no big advance can take place unless some definite new demand develops. Business in hardware is seasonally slow. Dealers are only selling for cash, as profit margins are insufficient to provide any reserve for credit losses.

Irish Free State

According to official reports the June rains proved most beneficial to pastures. This resulted in an increased flow of milk and in a general improvement in the condition of live-stock. No serious outbreak of disease was reported. The dry, cold weather experienced during May caused the first crop of hay to be lighter than that of last year, but old meadows made considerable progress during June. Spring-sown wheat, oats and barley also developed well, and winter-sown wheat was reported to be very promising at the end of June. Sugar-beet, mangels, and early-sown turnips have also made satisfactory growth. The area under flax has been greatly increased, and there are indications of a satisfactory yield. In the cattle markets there is a better demand for good quality young stores. The number of milch cows is increasing. Sheep are in good

condition. Shearing was completed in June. Wool prices varied from 7d. to 9d. per lb. for washed wool and from 5d. to 6d. per lb. for unwashed wool. Offerings of sheep and lambs were very heavy and prices declined. The number of pigs marketed increased between May and June, and the price of bacon pigs became easier. The number of brood sows is increasing.

France

From Lloyds & National Provincial Foreign Bank Limited

The Government's Decrees, issued on July 17th, aim at an all-round reduction of 10 per cent. in national expenditure. They embrace salaries, pensions, special grants and the interest payable on *rentes*. The normal reduction is 10 per cent., but the lower salaries and incomes are subject to smaller cuts. The rate of income tax is increased in respect of incomes in excess of Frs.80,000 a year. A simultaneous attempt to reduce the cost of living is made by means of decrees enforcing a 10 per cent. cut in rents and reductions in the price of coal, gas, electricity and bread.

These Decrees were well received on the Bourse, and Government securities hardened in price in spite of the cut in their rate of interest. The Banque de France reduced its rediscount rate from 4 to 3½ per cent. on the day following the issue of the Decrees. The rate had previously been reduced from 6 to 5 per cent. on June 20th and from 5 to 4 per cent. on July 4th.

The foreign trade returns for the first six months of 1934 and 1935 are given below :—

First six months of...	1934 Frs. mill.	1935 Frs. mill.	Difference Frs. mill.
IMPORTS—			
Foodstuffs	3,833	3,102	−731
Raw Materials	6,409	5,662	−747
Manufactured Articles	2,350	1,841	−509
	12,592	10,605	−1,987
EXPORTS—			
Foodstuffs	1,220	1,272	+ 52
Raw Materials	2,583	2,156	−427
Manufactured Articles	5,011	4,528	−483
	8,814	7,956	−858

Bordeaux.—The wine trade is still very dull. Prices of ordinary wines are somewhat lower. In the resin market quotations have eased slightly, but turpentine remains firm.

Le Havre.—Home demand for coffee shows a seasonal decline owing to the advent of the hot weather. Prices have been irregular and weak owing to the further depreciation of the Brazilian exchange. Stocks awaiting clearance are now 650,000 sacks, against 537,000 sacks a month ago.

The cotton market has been narrow and featureless. Prices have remained fairly steady, but until the American Government defines its policy as regards the loan basis for the new crop the undertone will remain weak. There has recently been a slightly increased demand for American cotton at the expense of Brazilian growths, where the crop so far is late and is reported not to be grading satisfactorily.

Lille.—Conditions in the cotton trade are no better, but prices continue firm. Production among the spinners continues at about 41 per cent. of capacity. Fairly large stocks of raw cotton, bought at lower prices, are in hand, and holders are prepared to wait. Deliveries of yarn under contract are being made regularly and delays are less frequently solicited, but weavers continue to buy only for immediate needs, and much short time is being worked. The flax market is quiet and there are few buyers. Prices are too high, and yarn prices continue to lag behind with the result that spinners are faced with a probable loss on all raw flax converted into yarn. Owing to high prices ruling for raw flax, the prospects for French and Belgian growths is brighter. The mixing of yarns with wool, silk and artificial silk has met with fair success.

Marseilles.—During the first fortnight in June prices of ground-nuts, particularly those of French Colonial shelled nuts, were remarkably firm in spite of the small demand. There was much more activity in Chinese shelled nuts, which also hardened appreciably. Towards the end of the month, however, a sharp drop in foreign nuts had its repercussion on the home market, and although French nuts were not offered to the same extent as foreign descriptions, prices were adversely affected. At present business is completely at a standstill and the indifference of buyers makes it difficult even to fix quotations. Copra prices have also fallen heavily. Business in olive oil is still very quiet, with prices practically unchanged.

Roubaix.—The recent rise in the price of raw wool has been followed very slowly in this centre, probably because consumption is very poor. Roubaix futures have advanced by 10 per cent. during the past month, but even at the present quotations it would not be possible to buy raw wool in the primary market, convert it into tops and sell here except at a loss. There has recently been a fair demand for noils, and prices are good compared with those obtained for tops. Combers are still working below capacity. Most spinners are quiet, weaving yarns being for the moment in greater demand than hosiery yarns. The weaving end of the industry remains depressed. Stocks of tops in Roubaix-Tourçoing this month show a rise of kilos. 900,000 compared with a month ago. At present they amount to kilos. 13,719,000, of which kilos. 6,288,000 consist of merino tops. Unemployment again shows a slight improvement.

Belgium

From Lloyds & National Provincial Foreign Bank Limited

Antwerp.—Business has been extremely restricted. The rubber market is still very calm, and, pending the result of the conference between the producing states, little interest is likely to be taken in coffee. Wool has remained firm, but a certain weakness has been noticed lately in forward deals. Cereals have weakened in price. At present there is a fairly large demand locally for wheat, due to rumours that the Government may restore the import tax of Frs.10 per 100 kilos. which had been cancelled recently. The recent activity on the Stock Exchange has been gradually decreasing, and most shares have dropped in value. Government Bonds have also been affected.

Brussels.—Apart from a few transactions with India, Argentine, Holland and Scandinavia, there is a general lack of business in iron and steel. As a result of the agreement with England, the quantity of steel plates allowed to be imported into that country has been fixed at 33,000 tons for the first year and 30,000 tons for the following years, and export prices have been increased by 2s. 6d. (gold) per ton as from July 15th, 1935. It is expected that, as and when arrangements are concluded as regards the importation of other products into Great Britain, prices will also improve. Production of steel

ingots during June, 1935, amounted to 240,680 tons, against 268,470 tons in May, and 248,637 tons in June, 1934.

The coal trade has been a little more favourable, but at the moment doubts are being expressed concerning a proposed increase in house coal prices, to take effect as from August 1st, 1935. New prices for shipments to France show a reduction of Frs.10 per ton. These are subject to modification in the event of a change in quotas or even if there is a change in the conditions of the French coal market owing to exchange fluctuations.

Germany

There has been a further expansion of industrial activity. The index of industrial production, calculated by the Institut für Konjunkturforschung, rose from 94·7 (1928=100) in April to 96·3 in May. The expansion in recent months was most marked in the case of production goods. The improvement appears to have been maintained in June, for the number of unemployed, as officially reported, declined from 2,019,300 at the end of May to 1,876,900 at the end of June. The average daily output of pig-iron and of coal registered a slight rise, and that of crude steel a slight decrease between May and June. Car-loadings fell from 125,300 per day in the first week of June to 121,600 per day in the first week of July. Imports and exports balanced at about Rm.318 millions in June as against imports of Rm.332·5 millions and exports of Rm.337·0 millions in May. Wholesale prices and quotations for industrial securities continued their gradual upward trend.

Holland

Early in July further evidence that Holland was pursuing a resolute deflationary policy was to be found both in the Government's economy measures and in a new Bill whose object was to reduce mortgage interest rates. The Bill proposed to limit the interest chargeable on mortgages to 4¾ per cent., and the interest payable on mortgage bonds to 4 per cent., leaving the mortgage banks a margin of ¾ per cent. Steps were also proposed to reduce rents to a level not more than 80 per cent. of the 1931 level. The object of these measures was to bring about a reduction in the cost of living. Mortgage interest rates generally are not much higher than the proposed new maximum, so that any objection to the Bill

on the ground that it weakens credit was regarded as mainly one of principle.

These measures and also the general policy of the Government provoked opposition as July progressed, and it finally became clear that the Roman Catholics as well as the Social Democrats were not prepared to give full support to the Government. Dr. Colijn in consequence resigned, and at the moment of going to press a new Government had not been formed. Thus Dr. Colijn's Government remains in charge.

The opponents of Dr. Colijn's Government are not in agreement as to the new economic policy, and in particular hold differing views on the question of the maintenance of the gold standard. Meanwhile drastic measures have been taken in support of the guilder, including the raising of the Bank rate from 3 to 6 per cent. The Netherlands Bank has lost a considerable amount of gold, but up to July 27th its position remained strong. The Stock Exchange remained quiet. Dutch investment bonds reacted, while equities improved, but in neither case was the movement very pronounced.

Recent company reports, mostly covering operations during 1934, show an improvement over those of the preceding year. This is ascribed to rationalisation, reductions in costs, and to the limitation of imports. Rubber and tobacco planting in the Dutch East Indies is once more becoming profitable, and the finances of the Dutch East Indies are also in a more satisfactory condition. Unemployment in Holland is unchanged at about 350,000 registered unemployed. This figure includes 55,000 workers employed on Government and municipal relief works.

Norway

The June trade returns show that in comparison with last year imports have increased while exports have been reduced. The returns for the first six months of each year reveal the same trend. The returns in millions of kroner are given below :—

	June, 1934	May, 1935	June, 1935	First six months of 1934	1935
Imports	59·1	75·3	65·1	371·0	381·7
Exports	49·6	46·7	42·2	283·0	277·1
Import Surplus	9·5	28·6	22·9	88·0	104·6

On July 1st, 1935, the tonnage of the Norwegian merchant fleet consisted of 1,410 steamers of 2,025,000 tons gross; 449 motor ships of 1,901,000 tons gross; and 7 sailing vessels of 1,624 tons gross. These totals exclude vessels of less than 100 tons gross. During the preceding half-year the number of steamers was reduced by 20, or 37,280 tons gross, while the number of motor ships was increased by 10, or 63,939 tons gross. Ninety-two vessels of 396,140 tons d.w. were laid up on July 1st, against 94 vessels of 424,290 tons d.w. on June 1st.

A Royal Decree issued on June 21st, under the powers conferred by the new legislation, limits the 1935–36 whaling season to between December 1st and March 15th. It also limits the area open to whaling to south of 40° latitude in substitution for the former limit of 50°. Norwegian production is fixed by the Decree at a limit of 1,100,000 barrels. Foreign production is estimated at 1,200,000 barrels. The Ministry of Commerce regrets that it has not been possible to arrange a more drastic curtailment of both British and foreign production. Some importance is attached to the possibility that further consultations between Great Britain and Norway may take place next autumn.

A new trade and clearing agreement has been signed with Italy. Norway engages to increase her annual imports from about Kr.11 millions to Kr.13 millions, and to reduce her exports by Kr.6 millions or 30 per cent.

The May index number of production was 111 against 109 in April and 105 in May, 1934. The base period is the first half of 1933.

Sweden

Import restrictions abroad are still a serious obstacle to Swedish export trade. Timber sales up to the middle of July amounted to about 550,000 standards, against 670,000 standards a year ago. Business in paper pulp has been fairly active, but individual transactions have been for small quantities. The year's output of sulphate pulp has now been practically sold, but about 15 per cent. of the year's production of sulphite pulp remains unsold. Wet mechanical pulp is a weak market and production is being restricted. Exports of paper have so far been satisfactory. The newsprint mills have almost sold this year's delivery, but sales for 1936 delivery have hardly yet

begun. The prolongation of the " Scankraft " group agreement has assisted the kraft trade, and recent sales have been heavy for the time of year. Sales of sulphite paper have fallen away, but the mills are still well supplied with orders. The iron trade remains satisfactory.

Denmark

The foreign trade returns for the first half of 1934 and 1935 are given below. The figures represent millions of kroner.

	1934	1935
Imports	611·3	646·1
Exports	548·0	578·1
Re-exports	28·1	26·3
Total Exports	576·1	604·4
Import Surplus	35·2	41·7

Imports from Great Britain rose between 1934 and 1935 from Kr.183·8 to Kr.237·3 millions, but exports to Great Britain fell from Kr.357·5 to Kr.347·9 millions. The foreign exchange position continued to deteriorate during June, the net loss during the month being Kr.7·5 millions.

The outlook for the grain harvest is promising and prices of butter, eggs and bacon are well maintained at satisfactory levels. The farmers complain that while they are responsible for the bulk of Denmark's exports, their economic conditions are much inferior to those of the towns. The latter are benefiting from the flourishing state of home industry, coupled with the great activity in the building trades.

Wholesale prices fell between May and June from 131 to 130. The price index for imported goods fell from 136 to 134 while the index for exported goods rose from 110 to 115. The margin between the two indices has shrunk during the past year from 38 to 19 points. Unemployment fell from 53,008 to 49,981 during the month ended July 12th, the latter figure representing 12·7 per cent. of all registered workers. A year ago the total figure was 58,371, equivalent to 15·5 per cent. The quantity of idle shipping has fallen during the past year from 60,000 to 26,500 tons d.w. This year's figure is regarded as insignificant.

Switzerland

From Lloyds & National Provincial Foreign Bank Limited

The general situation during the last few weeks has become very much more settled. Exchange rates have been very steady, and a substantial amount of gold has been received by the National Bank. The forward premium on sterling still remains high, but it is almost a nominal rate, and dealings are very restricted.

Spain

The 6 per cent. Gold Treasury Bonds issued in 1929 are to be converted into similar Bonds at 4 per cent. The Bank of Spain has reduced the rate of commercial discount from 5½ to 5 per cent.

Bank deposits at the end of March had risen to Ptas.6,448 millions against Ptas.6,338 millions at the end of 1934. The activity which normally develops in the issue market in the second quarter of the year was checked by political influences. There is also a growing tendency for banks to subscribe for entire issues on behalf of their customers.

Negotiations for a Commercial Agreement with France have broken down, and since July 9th trade between the two countries has been paralysed by tariffs. France normally absorbs about 20 per cent. of Spain's exports.

Quotas fixed by Peru for the importation of manufactured cotton goods are based on 1929 figures. This is particularly favourable to Spain, whose exports of cotton goods to Peru in that year were the highest recorded. Owing to the depressed state of the home market and restrictions abroad, the textile industry in Catalonia is suffering from over-production.

The Banco Exterior de Espana has been authorised by the Minister of Agriculture to organise the withdrawal from the market of 400,000 tons of last year's wheat.

Morocco

From the Bank of British West Africa Limited

Business conditions have continued to be affected by political and economic uncertainties. Following the reductions in the Bank of France discount rate, the discount rate of the

State Bank of Morocco was reduced to 5 per cent. on June 25th and to 3½ per cent. on July 9th. Moroccan Shares lost their recent advance on the Paris Bourse, and prices generally have dropped to the April level. Stocks of merchandise are generally lower, and there is little evidence of large orders being placed. Owing to poor crops and low prices, the trade outlook for the autumn is unpromising. While the yield from the main crops, barley and wheat, is poor, good reports are being received in respect of fruits such as apricots, peaches, plums and grapes. Imports of Moroccan tomatoes into France have been stopped through representations by Algerian growers who were being seriously affected by Moroccan competition. The shipment of goods to Spain has been curtailed greatly owing to the very serious delay on the part of the " Centro Oficial de Contratacion de Moneda," Madrid, in authorising transfer of the proceeds of the relative Bills of Exchange. 1,257 motor cars were imported in the first quarter of 1935 as against 1,168 last year. This year 60 per cent. of the total imports were American cars and 32 per cent. French, against 53 and 40 per cent. respectively during last year.

The United States

The political situation at Washington has been further confused by the introduction of the new proposals for the taxation of large incomes and estates, while another cause of uncertainty is found in new judgments adverse to the processing taxes which are the basis of the Agricultural Adjustment Administration. These judgments have still to come before the Supreme Court. In business the usual midsummer lull was expected early in July, but there was considerable agreement that a revival might be expected in the autumn unless it was checked by further political developments.

The sugar market has been dull, and under the influence of the uncertainty created by the processing tax judgments raw sugar is slightly weaker in price. Refined granulated sugar is unchanged. The rubber market has lately weakened as a result of substantial liquidations of July positions. This has evoked some interest in trade reports that tyre manufacturers are contemplating raising prices by about 20 per cent.

The " Blue Eagle " copper price of 9 cents per lb. was abandoned on June 27th, when the Navy Department received

contract tenders at 8 cents per lb. Export prices have also become easier. Tin consumption has declined, but as supplies have also become lighter prices have risen slightly. Lead is firmer and zinc steady.

In the iron and steel trade the number of furnaces in blast fell from 97 to 91 during June. Production of pig-iron totalled 1,553,000 tons, against 1,727,000 tons in May. Output for the first half of 1935 amounted to 9,799,000 tons, or just above the production of 9,798,000 tons for the first half of 1934. Demand is irregular. Reports from the steel industry are more hopeful. Some enquiries for rails have been received, while the new Navy Appropriation Bill calling for the building of 24 war vessels should also increase the demand for steel. Steel production for the first six months of 1935 was 16,025,000 tons, against 16,403,000 tons in the first half of 1934.

The acreage under cotton cultivation was estimated officially at 29,166,000 acres on July 1st. With the exception of last year this is the smallest acreage since 1905. Recent weather reports have been unfavourable. In many districts the condition of the crop is poor, and in the northern part of the belt growth is said to be from two to four weeks late. Spot prices improved early in July, but markets are overshadowed by processing tax and other uncertainties. In the textile trades mill sales are still below production and the outlook is not too encouraging.

South America

Argentina.—Export trade was active during April and May largely because of a big increase in maize shipments. The latest estimate of the maize crop is 11,500,000 tons, or the highest in the history of the country. Allowing for the carry-over from last year, the surplus available for export is estimated at 8,379,000 tons. Exports of wheat and linseed have also increased, but shipments of chilled and frozen beef have declined. June exports of wheat also fell slightly below the corresponding 1934 figure. The weather has been unusually mild, and rain is badly needed in some districts.

Imports from Great Britain have increased since the conclusion of the Roca-Runciman Treaty in May, 1933. There is a big increase in the consumption of whisky—from 15,259 cases in 1932 to 30,782 cases in 1934—due partly to the

reduction in the duty. British motor cars are also gaining ground, partly because of the 20 per cent. exchange margin enjoyed by British over American exporters. Japanese competition is becoming serious in the cotton piece-goods trade, but imports of British woollen goods remain satisfactory. Coal arrivals have lately been low, and Belgium at the moment has an almost complete monopoly of iron imports. Tinplates, however, come mainly from Great Britain.

Chile.—Some anxiety is felt by Chilean barley exporters at the possibility of an increase in the British duty. 60,000 quintals of oats have been sold to Switzerland, the proceeds to be applied to the reduction of outstanding indebtedness. Heavy rains fell during June, and much improved farmers' prospects in the central provinces. Money has become firmer, rediscounts at the Banco Central are increasing, and some banks are raising their rates for advances. The Banco Central raised its discount rates on June 12th from 4–5½ per cent. to 4½–6 per cent.

***Further information regarding trade conditions in South America will be found in the *Monthly Review*, published by the Bank of London & South America, Limited.

Japan

The foreign trade returns for the first six months of 1934 and 1935 are summarised below, all figures being in millions of yen :—

	1934	1935
Imports	1,118	1,415
Exports	1,003	1,221
Import Surplus ...	115	194

The increase in exports is ascribed to greater exchange stability abroad, while the increase in imports is due to greater home industrial activity and heavier purchase of raw materials. The leading commodity markets have recently been dull. Business in cotton textiles, both for home and export trade, has been inactive.

Statistics

BANK OF ENGLAND

Issue Department

	Note Circulation.	Govt. Debt.	Other Govt. Securities.	Other Securities.	Silver Coin.	Fiduciary Issue.	Gold.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
End March, 1929	361·8	11·0	235·2	9·0	4·8	260·0	153·3
,, ,, 1930	352·3	11·0	233·0	11·5	4·5	260·0	155·1
,, ,, 1931	357·1	11·0	232·0	12·9	4·0	260·0	144·5
,, ,, 1932	360·5	11·0	240·9	19·3	3·8	275·0	120·8
,, ,, 1933	367·1	11·0	249·9	10·5	3·6	275·0	171·8
,, ,, 1934	378·8	11·0	245·4	0·1	3·5	260·0	191·1
,, ,, 1935	381·4	11·0	246·7	0·2	2·1	260·0	192·5
July 17, 1935	399·6	11·0	246·6	0·7	1·7	260·0	192·7
July 24, 1935	400·8	11·0	246·4	1·0	1·6	260·0	192·7

Banking Department

	Public Deposits.	Bankers' Deposits.	Other Deposits.	Govt. Securities.	Discounts and Advances.	Other Securities.	Reserve.	Proportion.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	%
End March, 1929	19·7	58·2	36·4	50·6	13·0	17·1	51·9	45·4
,, ,, 1930	18·8	54·9	35·9	44·8	6·1	13·3	63·7	58·1
,, ,, 1931	17·2	58·8	34·7	30·3	24·6	25·7	48·3	43·6
,, ,, 1932	27·2	54·6	34·4	35·7	11·7	51·1	35·9	30·9
,, ,, 1933	21·2	92·8	35·0	57·7	11·8	17·2	80·6	54·0
,, ,, 1934	17·5	94·5	36·9	77·1	5·6	11·0	73·4	49·2
,, ,, 1935	20·1	96·6	41·2	87·6	5·6	11·4	71·7	45·3
July 17, 1935	7·9	103·6	38·8	91·9	9·3	13·5	53·7	35·7
July 24, 1935	8·9	100·8	36·6	88·7	10·3	12·9	52·4	35·8

LONDON CLEARING BANKS (monthly averages)

	Deposits.	Acceptances, Guarantees, etc.	Cash.	Balances and Cheques.	Call Money.	Bills.	Investments.	Advances.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
March, 1925	1,643·5	113·9	190·2	51·1	111·7	205·1	299·4	857·1
,, 1929	1,776·6	222·1	187·8	52·7	136·1	216·6	258·9	995·9
,, 1930	1,719·3	159·3	184·4	51·3	134·7	183·6	240·4	990·8
,, 1931	1,763·9	121·5	184·0	43·5	114·1	240·4	311·1	936·1
,, 1932	1,676·4	98·7	174·0	43·4	112·5	216·8	281·9	902·1
,, 1933	1,925·2	95·8	207·0	40·1	108·7	348·1	510·2	766·2
,, 1934	1,830·6	112·8	218·9	43·5	120·4	202·1	547·1	753·0
,, 1935	1,923·3	117·7	214·0	43·6	133·4	207·0	614·4	766·8
May, 1935	1,961·5	113·9	218·7	49·3	142·0	217·6	619·9	770·4
June, 1935	2,003·5	109·2	216·7	55·9	143·1	243·9	624·2	775·4

LONDON BANKERS' CLEARING HOUSE RETURNS

	Town Clearing.	Metropolitan Clearing.	Country Clearing.	Total.
	£ mn.	£ mn.	£ mn.	£ mn.
1925	35,801	1,678	2,958	40,437
1929	39,936	1,882	3,079	44,897
1930	38,782	1,812	2,964	43,558
1931	31,816	1,668	2,752	36,236
1932	27,834	1,610	2,668	32,112
1933	27,715	1,657	2,766	32,138
1934	30,740	1,760	2,984	35,484
1934 to July 25	17,563	1,005	1,695	20,263
1935 to July 24	18,648	1,078	1,817	21,543
1934 July (4 weeks) ...	2,320	148	241	2,709
1935 July (4 weeks) ...	2,708	163	270	3,141

BANKERS' PROVINCIAL CLEARING RETURNS

	Mar., 1925.	Mar., 1929.	Mar., 1932.	Mar., 1933.	Mar., 1934.	Mar., 1935.	May, 1935.	June, 1935.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
Birmingham	11·3	11·9	9·0	9·7	11·3	9·6	9·9	10·6
Bradford	—	5·9	3·4	3·3	4·2	3·8	3·5	3·3
Bristol	5·1	5·3	4·9	5·0	5·4	4·9	5·6	4·6
Hull	4·8	4·0	3·0	3·2	3·2	3·2	3·1	2·9
Leeds...	4·5	4·4	3·8	3·8	4·4	4·3	3·5	3·4
Leicester	3·6	3·6	3·1	3·1	3·3	2·8	2·7	2·6
Liverpool	42·5	34·2	25·6	25·6	26·8	25·8	22·9	21·1
Manchester	77·4	58·0	42·5	42·1	46·1	42·8	40·8	37·9
Newcastle-on-Tyne ...	7·8	6·5	5·7	6·5	6·9	5·5	5·6	5·8
Nottingham	2·3	2·8	1·9	1·9	2·0	2·0	2·0	1·9
Sheffield	5·0	4·6	3·3	3·5	3·6	3·4	3·4	3·5
	164·3	141·2	106·2	107·7	117·2	108·1	103·0	97·6

LONDON AND NEW YORK MONEY RATES

		London.					New York.		
		Bank Rate.	Treasury Bills. Tender Rate.	Treasury Bills. Market Rate.	3 Months' Bank Bills.	Short Loans.	F.R.B. Rediscount Rate.	Call Money.	Acceptances.
		Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
End March,	1925	5	4 11/16	—	4 13/16–4 7/8	3 13/16–4 1/16	3 1/2	3 1/2	3 3/4
" "	1929	5 1/2	5 11/16	5 1/2	5 5/8–5 3/4	4 1/4–4 3/8	5	15	5 1/4
" "	1930	3 1/2	2 1/2	2 7/16	2 7/16–2 1/2	2 1/2–2 5/8	3 1/2	3 1/2	2 5/8
" "	1931	3	2 7/16	2 5/16–2 3/8	2 5/16–2 3/8	2–2 1/2	2	1 1/2	1 1/2
" "	1932	3 1/2	2 1/16	1 1/2	2 1/2–2 1/2	2–3	3	2 1/2	2 1/2
" "	1933	2	1/2	1/16–1/8	1/8	1/2–1	3 1/2	3	2 1/2
" "	1934	2	3/8	1/4	1/4	1/2–1	1 1/2	1	1/8
" "	1935	2	1/4	1/8–1/16	1/16–1/8	1/2–1	1 1/2	1	1/16
June 26th,	1935	2	1/8	1/16	1/8–1/4	1/2–1	1 1/2	1/2	1/16
July 24th,	1935	2	1/16	1/16	1/8	1/2–1	1 1/2	1/2	1/16

FOREIGN EXCHANGES

London on	Parity (prior to Sept. 21, 1931.)	1933. July 26.	1934. July 25.	1935. July 3.	1935. July 10.	1935. July 17.	1935. July 24.
New York—							
(a) Spot ...	$4·866	4·61 1/2	5·04 1/2	4·94 3/16	4·96 1/2	4·96 3/16	4·95 1/2
(b) 3 Months	—	2 1/2c. dis.	1/2c. dis.	1 1/2c. pm.	1 1/2c. pm.	1 1/2c. pm.	1 5/8c. pm.
Montreal ...	$4·866	4·91 1/2	4·96 1/2	4·95 1/2	4·97	4·96 1/2	4·96 1/2
Paris—							
(a) Spot ...	Fr. 124·21	85 1/16	76 1/16	74 1/16	74 1/8	74 1/16	74 1/16
(b) 3 Months	—	17 1/2c. pm.	12c. dis.	Fr.1 1/2 dis.	Fr.2 1/8 dis.	Fr.1 1/2 dis.	Fr.1 7/8 dis.
Berlin—							
(a) Official ...	Mk. 20·43	13·99 1/2	13·11 1/2	12·22	12·29	12·27 1/2	12·35
(b) Registered Marks	—	—	35 1/4% dis.	43% dis.	43 1/4% dis.	43% dis.	41 1/4% dis.
Amsterdam ...	Fl. 12·11	8·27 1/2	7·45	7·24 1/2	7·28	7·27 1/2	7·36 1/2
Brussels ...	Bel. 35	23·93	21·56	29·21	29·39	29·36	29·23
Milan	Li. 92·46	63 1/16	58 1/16	59 3/16	60 1/16	60 1/16	60 1/8
Zurich... ...	Fr. 25·22 1/2	17·26 1/2	15·46	15·06 1/2	15·14	15·13	15·21 1/2
Stockholm ...	Kr. 18·16	19·37 1/2	19·39 1/2	19·39 1/2	19·39 1/2	19·39 1/2	19·39 1/2
Madrid ...	Ptas. 25·22 1/2	39 1/16	36 1/2	35 1/16	36 1/2	36 3/16	36 3/16
Vienna ...	Sch. 34·58 1/2	30*	27*	26 1/2	26 1/2	26 1/2	26 1/2
Prague... ...	Kr. 164 1/2 ‡	112 1/2	121 1/2	117 1/2	118 1/2	118 1/2	119 1/2
Buenos Aires ...	47·62d.	41 1/2 †	36 1/2 †	15 15/16	15 15/16	15 15/16	15 15/16
Rio de Janeiro	5·89d.	4 1/2 †	4 1/2 †	4 1/2 †	4 1/2 †	4 1/2 †	4 1/2 †
Valparaiso ...	Pes. 40	56·40 †	49·50 †	118 1/2 *	118 1/2 *	118 1/2 *	119 1/2 *
Bombay ...	18d.	18 1/16d.	18 1/16d.	18 3/16d.	18 3/16d.	18 1/2d.	18 1/2d.
Hong Kong ...	—d.	17d.	17 1/2d.	26 1/2d.	25 1/2d.	25 1/2d.	25 1/2d.
Kobe	24·57d.	1/3	1/2 1/2	1/2 1/2	1/2 1/2	1/2 1/2	1/2 1/2
Shanghai ...	—d.	15d.	16 1/2d.	19 1/2d.	19d.	18 1/2d.	18 1/2d.
Gold price ...	per oz.	123s. 9 1/2d.	137s. 11 1/2d.	141s. 6d.	140s. 11d.	141s. 0 1/2d.	140s. 6d.
Silver price ...	per oz.	17 1/2d.	20 1/2d.	31d.	31 1/2d.	30 3/16d.	30 3/16d.

* Nominal. † Official Rate. ‡ Kr.197·10, since devaluation of Kroner on February 17th, 1934.
§ Prior to January 14th, 1935, rates represent pence per gold peso, henceforward paper pesos to the £.
‖ Revalued on January 1st, 1935; export rate.

PUBLIC REVENUE AND EXPENDITURE

	1931–32.	1932–33.	1933–34.	1934–35.	1934–35 to July 21.	1935–36 to July 20.
REVENUE—	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
Income Tax	287·4	251·5	228·9	228·9	26·7	26·4
Sur-Tax	76·7	60·7	52·6	51·2	6·2	4·6
Estate Duties	65·0	77·1	85·3	81·3	29·2	28·0
Stamps	17·1	19·2	22·7	24·1	4·6	4·4
Customs	136·2	167·2	179·2	185·1	57·1	59·2
Excise	119·9	120·9	107·0	104·6	31·6	33·0
Motor Vehicle Duties (Exchequer Share)... ...	5·0	5·0	5·2	5·1	2·5	0·9
Other Tax Revenue	3·2	3·1	2·6	3·1	0·1	0·1
Total Tax Revenue	710·5	704·7	683·5	683·4	158·0	156·6
Post Office	11·5	10·9	13·1	12·3	6·0	5·4
Crown Lands	1·3	1·2	1·2	1·3	0·3	0·3
Receipts from Sundry Loans	13·8	5·1	4·7	4·4	2·1	1·9
Miscellaneous Receipts ...	33·9*	22·9	22·1	15·1	4·0	4·5
Total Non-tax Revenue ...	60·5	40·1	41·1	33·1	12·4	12·1
Total Ordinary Revenue ...	771·0	744·8	724·6	716·5	170·4	168·7
Post Office	58·0	59·3	59·3	61·8	15·6	16·4
Road Fund	22·5	22·9	25·5	26·4	4·1	4·6
Total Self-balancing Revenue...	80·5	82·2	84·8	88·2	19·7	21·0
EXPENDITURE—						
National Debt Interest ...	289·5	262·3	212·9	211·6	86·7	85·6
Payments to N. Ireland ...	6·3	7·0	6·6	6·8	1·6	1·4
Other Cons. Fund Services...	3·1	3·3	4·1	3·6	1·0	1·1
Post Office Fund	—	—	—	2·3	—	—
Supply Services	439·2	458·3	458·8	472·2	129·2	137·6
Total Ordinary Expenditure ...	738·1	730·9	682·4	696·5	218·5	225·7
Sinking Fund...	32·5	17·2	7·7	12·3	—	—
Payments to U.S. Govt. ...	†	29·0	3·3	—	—	—
Self-balancing Expenditure (As per contra)	80·5	82·2	84·8	88·2	19·7	21·0

* Includes Appropriation from Rating Relief Suspense Account.

† Included under National Debt Interest.

PRODUCTION

	Coal.	Pig-Iron.	Steel.
	Tons mill.	Tons thous.	Tons thous.
Total 1913	287·4	10,260	7,664
„ 1925	243·2	6,262	7,385
„ 1929	257·9	7,589	9,636
„ 1930	243·9	6,192	7,326
„ 1931	219·5	3,773	5,203
„ 1932	208·7	3,574	5,261
„ 1933	207·1	4,136	7,024
„ 1934	221·0	5,979	8,860
Total to June, 1934	112·1	2,898	4,507
Total to June, 1935	111·1	3,173	4,801

BOARD OF TRADE PRODUCTION INDEX NUMBER (1930 = 100)

	1934.					1935.
	Year.	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.
Mines and Quarries	90·6	97·5	86·2	84·2	94·5	95·1
Iron and Steel	115·7	118·1	117·6	110·6	116·4	121·9
Non-Ferrous Metals	122·7	104·5	113·2	127·5	145·4	142·2
Engineering and Shipbuilding ...	94·0	88·7	92·3	92·5	102·3	105·9
Building Materials and Building ...	130·2	119·5	129·6	137·4	133·9	132·8
Textiles...	113·1	118·1	111·0	106·8	116·5	118·8
Chemicals, Oils, etc.	105·4	107·2	105·3	103·2	105·9	110·2
Leather and Boots and Shoes ...	104·5	109·7	104·9	96·2	107·1	116·5
Food, Drink and Tobacco	101·8	96·4	102·5	101·3	107·2	98·2
Total*	105·8	105·5	104·3	102·9	111·7	112·8

* Includes paper and printing, gas and electricity, rubber, cement and tiles.

UNEMPLOYMENT

(a) Percentage of Insured Workers

Date.	1928.	1929.	1930.	1931.	1932.	1933.	1934.	1935.
End of—								
January	10·7	12·3	12·4	21·5	22·4	23·1	18·6	17·7
February	10·4	12·1	12·9	21·7	22·0	22·8	18·1	17·5
March	9·5	10·0	13·7	21·5	20·8	21·9	17·2	16·5
April	9·5	9·8	14·2	20·9	21·4	21·3	16·6	15·7
May	9·8	9·7	15·0	20·8	22·1	20·4	16·2	15·6
June	10·7	9·6	15·4	21·2	22·2	19·4	16·4	15·5
July	11·6	9·7	16·7	22·0	22·8	19·5	16·7	
August	11·6	9·9	17·1	22·0	23·0	19·1	16·5	
September	11·4	10·0	17·6	22·6	22·8	18·4	16·1	
October	11·8	10·3	18·7	21·9	21·9	18·1	16·4	
November	12·2	10·9	19·1	21·4	22·2	17·9	16·4	
December	11·2	11·0	20·2	20·9	21·7	17·5	16·1	

(b) Actual Numbers Unemployed (in thousands)

	Mar., 1929.	Mar., 1932.	Mar., 1933.	Mar., 1934.	June, 1934.	Mar., 1935.	May, 1935.	June, 1935.
Number of Insured Persons unemployed—								
Wholly unemployed	920	2,129	2,205	1,814	1,590	1,727	1,614	1,551
Temporarily stopped	200	427	511	317	452	324	320	368
Normally in casual employment ...	84	104	105	94	82	92	90	85
Total	1,204	2,660	2,821	2,225	2,124	2,143	2,024	2,004

RAILWAY TRAFFIC RECEIPTS

	Four weeks ended				Aggregate for 29 Weeks			
	July 22, 1934.		July 21, 1935.		1934.		1935.	
	Passengers.	Goods.	Passengers.	Goods.	Passengers.	Goods.	Passengers.	Goods.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
Great Western ...	1·0	1·0	1·0	1·1	5·4	8·0	5·5	8·1
London & North Eastern*	1·6	2·0	1·6	2·0	8·4	15·5	8·6	15·3
London Midland & Scottish	2·4	2·5	2·5	2·5	12·9	19·5	13·2	19·6
Southern	1·4	0·3	1·5	0·4	7·9	2·8	8·1	2·6
Total	6·4	5·8	6·6	6·0	34·6	45·8	35·4	45·6

* The London & North Eastern Railway Returns are made up a day earlier each week than the other lines.

RETAIL TRADE

(from the Board of Trade Journal)

Change in value since same date in previous year

	June, 1932.	June, 1933.	June, 1934.	May, 1935.	June, 1935.
By CATEGORIES: Great Britain	%	%	%	%	%
Total	− 3·8	− 3·6	+ 2·0	+2·2	+ 5·8
Food and Perishables	− 3·0	− 3·3	+ 1·2	+6·3	+ 7·1
Other Merchandise of which					
Piece-goods*	− 8·9	− 5·2	− 4·1	−5·4	−12·5
(i) Household Goods ...	—	− 3·4	− 2·7	+0·7	− 4·6
(ii) Dress Materials	—	− 7·1	− 5·4	−7·6	−16·0
Women's Wear*	− 4·0	− 5·1	+ 2·1	−4·6	− 0·9
(i) Fashion Departments ...	− 3·8	− 6·5	+ 4·9	−2·7	− 5·4
(ii) Girls' & Children's Wear	− 3·3	− 7·2	+ 0·8	−0·8	− 5·3
(iii) Fancy Drapery	− 3·6	− 3·1	+ 0·9	−6·7	+ 5·4
Men's & Boys' Wear	− 5·3	− 1·1	+ 4·5	−6·2	+ 8·2
Boots & Shoes	− 0·3	− 0·9	+ 1·9	−6·4	+ 9·5
Furnishing Departments ...	− 6·6	− 5·1	+ 9·3	+3·5	+ 9·9
Hardware	− 3·2	+ 5·6	+ 1·5	+4·7	+ 0·4
Fancy Goods	− 8·2	+ 3·6	+ 2·3	+7·0	+ 5·9
Sports and Travel	− 1·8	− 8·2	− 1·9	−0·7	+ 5·2
Miscellaneous and Unallocated	− 7·1	− 7·9	+ 4·8	+9·1	+12·7
By AREAS—					
All Categories—					
Scotland	− 3·9	− 1·8	+ 1·8	+4·5	+ 5·7
Wales & North of England ...	− 3·3	− 4·1	+ 2·0	+1·8	+ 6·7
South of England	− 2·3	− 1·9	+ 1·7	+2·6	+ 7·9
London, Central & West End	− 7·1	− 6·4	+ 1·0	+2·0	+ 0·9
London, Suburban	− 4·5	− 3·4	+ 3·8	+1·5	+ 2·7

* Including some goods which cannot be allocated to sub-headings.

OVERSEAS TRADE

Date.	Imports.				Exports.			
	Food.	Raw Materials.	Manufactured Goods.	Total.	Food.	Raw Materials.	Manufactured Goods.	Total.
Monthly Average—	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
1925	47·5	35·4	26·6	110·1	4·6	7·0	51·4	64·4
1929	44·6	28·3	27·9	101·7	4·6	6·6	47·8	60·8
1930	39·6	20·9	25·6	87·0	4·0	5·3	36·7	47·6
1931	34·7	14·4	21·8	71·8	3·0	3·9	24·3	32·6
1932	31·1	13·7	13·1	58·5	2·7	3·6	23·0	30·4
1933	28·4	15·0	12·6	56·3	2·4	3·8	23·4	30·6
1934	28·9	17·5	14·3	61·0	2·5	4·0	25·4	33·0
June, 1934	29·4	16·9	14·4	61·2	2·4	3·9	24·9	32·1
June, 1935	27·5	15·7	14·4	57·8	2·4	4·0	25·5	32·9

SOME LEADING IMPORTS

Date.	Wheat.	Iron Ore and Scrap.	Raw Cotton.	Raw Wool.	Hides, Wet and Dry.	Wood Pulp.	Rubber.	Iron and Steel Manufactures.
Monthly Average—	(thous. cwts.)	(thous. tons)	(thous. centals of 100 lbs.)	(thous. centals of 100 lbs.)	(thous. cwts.)	(thous. tons)	(thous. centals of 100 lbs.)	(thous. tons)
1925	8,071	373	1,578	606	155	103	163	227
1929	9,314	480	1,283	678	98	137	330	235
1930	8,731	363	1,011	652	108	128	326	243
1931	9,952	185	909	707	106	122	237	237
1932	8,803	159	1,048	765	105	153	176	133
1933	9,366	234	1,169	793	120	162	189	81
1934	8,554	392	1,054	659	116	187	395	114
June, 1934	8,566	368	921	484	101	197	445	98
June, 1935	8,729	420	831	550	116	169	312	98

SOME LEADING EXPORTS

	Coal.	Iron and Steel.	Machinery.	Cotton Yarns.	Cotton Piece-Goods.	Woollen Tissues.	Worsted Tissues.	Motor Cars.
Monthly Average—	(thous. tons)	(thous. tons)	(thous. tons)	(mill. lbs.)	(mill. sq. yds.)	(thous. sq. yds.)	(thous. sq. yds.)	(number)
1925	4,235	311	43	11·3	370	11,015	3,942	1,481
1929	5,022	365	47	11·8	306	9,016	3,940	1,991
1930	4,573	263	40	11·1	201	6,587	2,893	1,602
1931	3,563	165	27	11·4	143	4,694	2,479	1,429
1932	3,242	157	25	13·9	183	4,461	2,358	2,246
1933	3,256	160	23	15·8	169	5,110	2,741	2,821
1934	3,305	188	28	10·9	166	5,745	2,773	2,909
June, 1934	3,557	204	28	10·6	149	5,198	2,383	2,335
June, 1935	3,062	195	31	11·8	138	4,795	2,941	3,342

PRICES

1. WHOLESALE PRICES

Date.	Index Number (Sept. 16th, 1931 = 100).				
	U.K.	U.S.A.	France.	Italy.	Germany.
Average 1913	115·8	101·1	111·1	112·0	91·9
1925	177·9	152·3	154·1	148·9	130·2
1929	150·9	139·4	141·3	146·0	126·1
1930	129·3	125·1	124·3	125·0	103·8
1931	107·7	103·5	105·5	103·5	101·9
1932	103·5	89·3	92·0	93·1	88·7
1933	103·5	93·7	87·7	86·6	85·7
1934	106·4	111·1	83·1	84·2	90·4
End June, 1934 ...	106·6	113·1	82·0	83·9	89·7
„ May, 1935 ...	107·7	119·3	79·8	94·2	92·7
„ June, 1935 ...	106·5	118·3	77·7	96·5	92·9

Sources: U.K., "Financial Times"; U.S.A., Irving Fisher; France, Statistique Générale; Italy, Italian Chamber of Commerce; Germany, Statistische Reichsamt.

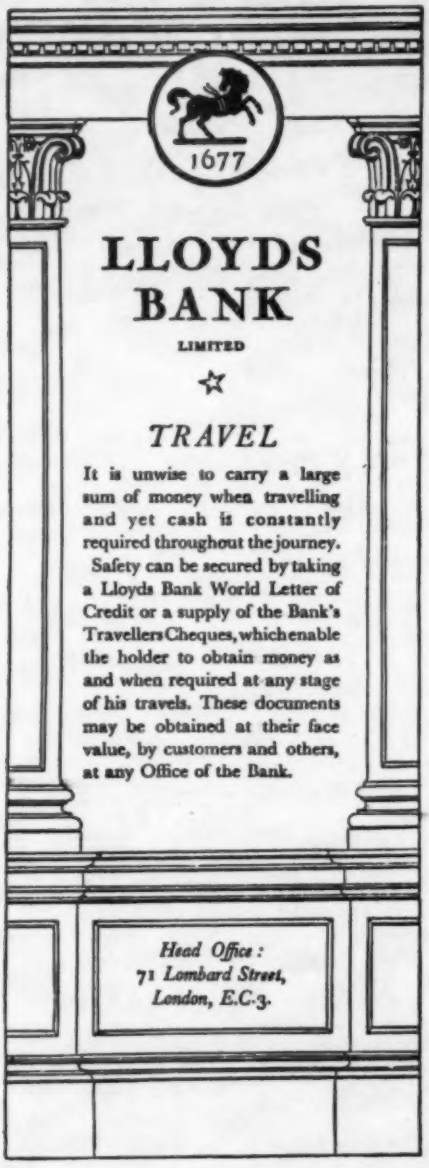
2. RETAIL PRICES (cost of living)

Date.	Food.	Rent (including Rates).	Clothing.	Fuel and Light.	Other Items included.	All Items included.
End of 1925 ...	71	48	125	80–85	80	75
1929 ...	57	52	115	75	80	66
1930 ...	38	54	105	75	75	53
1931 ...	31	54	90	75	75	47
1932 ...	23	55	85	70–75	70–75	42
1933 ...	24	56	85	70–75	70–75	42
1934 ...	25	56	85–90	70–75	70–75	43
End June, 1934...	22	56	85–90	65–70	70–75	41
„ May, 1935...	20	58	85–90	70	70	40
„ June, 1935...	26	58	85–90	65–70	70	43

The figures represent the percentage increase above July, 1914, which is equal to 100.

3. COMMODITY PRICES (average for month)

Date.	Wheat No. 1 N. Manitoba.	Sugar Centrifugals U.K.	Cotton American Middling.	Wool 64's tops avge.	Pig-Iron, Cleveland No. 3.	Tin, Standard Cash.	Rubber, Plantation Sheet.
	per qr. s. d.	per cwt. s. d.	per lb. d.	per lb. d.	per ton s. d.	per ton £	per lb. d.
Average 1913 ...	36 10	—	7·01	29 1/16	58 1½	—	36½
1925 ...	66 4½	12 9	12·65	54 11/16	72 9½	261 3/16	34 9/16
1929 ...	54 0½	9 0½	10·29	38⅞	70 4½	203 11/16	10½
1930 ...	40 1½	6 7	7·44	26⅛	67 0	142⅜	5 1/16
1931 ...	28 2½	6 4½	5·08	23 1/16	58 7	118½	3⅛
1932 ...	30 6½	5 9½	5·29	22 1/16	58 6	136 3/16	2 9/16
1933 ...	28 2	5 4	5·53	28 1/16	62 3	194 1/16	3½
1934 ...	30 11	4 8½	5·66	30 1/16	66 10½	230	6 1/16
June, 1934 ...	30 6	4 11½	6·63	30 1/16	67 6	227	6½
May, 1935 ...	34 3	5 0½	6·86	27 1/16	67 6	226½	5 15/16
June, 1935 ...	32 3	4 8½	6·08	28	67 6	228⅛	6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